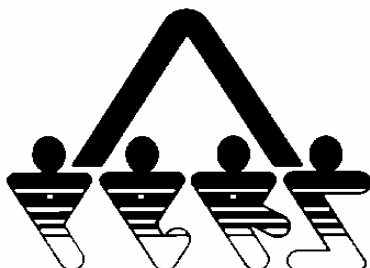


North Dakota Public Employees Retirement System



Law Enforcement Retirement Plan

Effective August 1, 2005

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The information in this publication is subject to both changes made by the North Dakota legislature, by the Board of the North Dakota Public Employees Retirement System (NDPERS) , and its agents.



In the Law Enforcement Retirement Plan, an account is established on your behalf and contributions are made to the account by you and your employer. If you are vested, you are guaranteed a benefit at retirement, which is generally based on your compensation, benefit multiplier, and your years of service. The more years of service, the greater the benefit. You will receive the benefit determined under the plan regardless of the performance of the plan's investments.

ELIGIBILITY

If you are a Correctional or Peace officer of a participating political subdivision, you are eligible to participate in NDPERS Law Enforcement Plan. Eligible employees are those who are at least 18 years of age, work at least 32 hours per week for 20 or more weeks per year, and whose positions are regularly funded and not of limited duration (i.e., permanent).

DEFINITIONS

"Peace Officer" means a public servant authorized by law or government agency or branch to enforce the law and to conduct or engage in investigations of violations of the law.

"Correctional officer" means a person who has completed a correctional officer course approved/certified by the North Dakota department of corrections and rehabilitation and is employed by a correctional facility as defined in the North Dakota Century Code section 12-44.1.

1. Upon an employer's initial enrollment in the Law Enforcement Plan, correctional officers not certified will remain in the Defined Benefit Plan— Mainsytem or current employer sponsored plan until such a time that they become certified. Once certified, the correctional officer will be given 30 days to either elect to join or waive participation in the Law Enforcement plan. If no election is made, the correctional officer will remain a member of the Defined Benefit or employer sponsored retirement plan.
2. All correctional officers hired after the date a group adopts the Law Enforcement retirement, upon completion of the certification, must be enrolled in the Law Enforcement plan.

ENROLLMENT

Eligible employees must enroll at the date of hire and retirement contributions must begin with the employee's first paycheck, even when hired subject to a probationary period.

RETIREMENT CONTRIBUTIONS



Contributions	Current Employer Group	New Employer Groups
Employee	4.00%	4.00%
Employer	8.31%	6.43%

VESTING

To be vested in the Law Enforcement Retirement Plan means that you have become legally entitled to a monthly benefit when you terminate employment and reach retirement age or qualify for long-term disability.

Vesting in Disability Benefit: 180 days
Vesting in Retirement Benefit: 36 continuous months

VESTING IN EMPLOYER CONTRIBUTION

Portability Enhancement Provision (PEP)

As an active member in the Law Enforcement Retirement Plan you are able to vest in the employer contribution (PEP) for cash distribution purposes by participating in a deferred compensation (457) program, 403(b) or other qualified retirement savings program approved by the NDPERS Board. The vesting schedule for the Employer contributions is based upon your existing service credit in the retirement program and the amount you defer into a qualified deferred compensation plan. See the following schedule for details:



Retirement Service Credit	Minimum Vesting Contribution	Maximum Vesting Contribution
0 – 12 months	\$25	1% of gross salary
13 – 24 months	\$25	2% of gross salary
25 – 36 months	\$25	3% of gross salary
37 + months	\$25	4% of gross salary

BENEFITS AT TERMINATION OF EMPLOYMENT

Member Account Balance:

Refund/Rollover of your member account balance, which consists of the monthly employee contributions, the vested portion of employer contributions, and interest. This interest is compounded monthly up to the time a refund/rollover is issued. The interest paid on your account is currently 7.5% annually and builds on a tax deferred basis.

Long Term Disability Benefits:

If you are deemed eligible for disability benefits, you will receive 25% of your final average salary each month for as long as you are disabled under the basic disability payment option. The minimum benefit is \$100 per month.

Surviving Spouse Benefits:

If member dies after completing 36 months of credited service, the member's spouse may elect to receive:

- Refund of member's account; or
- 100% of member's unreduced retirement benefit for 5 years; or
- 50% of member's unreduced retirement benefit for life; or
- Equivalent of 100% joint & survivor option if member had reached

BENEFITS AT RETIREMENT

Early Retirement Age:

- 50 with three continuous years of service

Normal Retirement Age:

- 55 with three years of continuous of service

Rule of 85:

- Age + Years of Service = 85 or more
- No reduction in benefits for early retirement; there no minimum age requirement.

Retirement Formula:

- Final Average Salary X 2.00% X Years of Credited Service
- Final Average Salary = Average of highest 36 salaries of the last 120 months you worked.
- Benefit Multiplier = The rate established by the legislature at which you earn benefits.

Retirement Options:

- Single Life
- Joint & Survivor 50% & 100%
- Term Certain 20 & 10 Year
- Social Security Level Income



RETIREE HEALTH INSURANCE CREDIT

N.D.C.C. Chapter 54-52-03.2

ELIGIBILITY

Members receiving a retirement allowance from the Law Enforcement Plan are eligible to receive a credit towards their monthly health insurance premium for the state health plan equal to \$4.50 for each of the member's years of credited service, subject to early retirement reductions. For example, a member with 20 years of service at normal retirement age would receive a monthly credit of \$90, which is a tax-free benefit. A receiving member is eligible for coverage under the state health plan [Blue Cross Blue Shield Dakota Plan and Dakota Retiree Plan] even if the employer is not participating in the state health plan prior to the member's retirement if the member is enrolled during eligible "qualifying events".



RETIREE HEALTH INSURANCE CREDIT CONTRIBUTION

Contributions	Current Employer Group	New Employer Group
Employee	0.00%	0.00%
Employer	1.00%	1.00%

BENEFITS AT RETIREMENT

Benefit Formula:

$\$4.50 \times \text{Years of Credited Service}$

Retiree Health Credit Options:

Single Life

Joint & Survivor 50% & 100%

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Foot Note:

Summary of Total Retirement Contributions discussed for CURRENT EMPLOYER GROUPS:

TOTAL REQUIRED EMPLOYEE CONTRIBUTION:	4.00%
TOTAL REQUIRED EMPLOYER CONTRIBUTION:	<u>9.31%</u>
TOTAL REQUIRED RETIREMENT CONTRIBUTION:	13.31%

Summary of Total Retirement Contributions discussed for NEW EMPLOYER GROUPS:

TOTAL REQUIRED EMPLOYEE CONTRIBUTION:	4.00%
TOTAL REQUIRED EMPLOYER CONTRIBUTION:	<u>7.43%</u>
TOTAL REQUIRED RETIREMENT CONTRIBUTION:	11.43%

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Other Benefit Plans

A governmental unit within the state of North Dakota may be eligible to offer other NDPERS benefit plans to their employees. The plans that a governmental unit may be eligible to join as a group include:

- Defined Benefit Hybrid Retirement Plan - A retirement plan for non-correctional/peace officer employees.
- Group Health Insurance Plan
- Group Life Insurance Plan
- Deferred Compensation Plan - A supplemental retirement account

In order for a governmental unit to join one of these plans and offer it to their employees, an employer must agree to comply with the provisions of the Employer Administrative Agreement. The signed agreement along with the approved meeting minutes signifying the governing board or commission's action to join the plan must be submitted to NDPERS. If an employer would like to obtain an informational packet about a specific NDPERS plan and the participation requirements, please contact the NDPERS office at (800) 803-7377.